



October 15, 1999

The Honorable Robert M. Hertzberg, Chair
Joint Rules Committee
State Capitol, Room 3016
Sacramento, CA 95814

Dear Assembly Member Hertzberg:

Pursuant to the report from the Joint Rules Committee, March 25, 1999, item 14, the Department of General Services is submitting the October 1999 quarterly report on the Capitol Area East End Complex.

If you have any questions or require additional information regarding the Capitol Area East End Complex, please call Mike Courtney, Acting Deputy Director, Real Estate Services Division, at (916) 322-7034.

Sincerely,

CLIFF ALLENBY, Interim Director
Department of General Services

CL:MKH:kw:jrc cover ltr Oct 99

Enclosure

cc: Michael J. Gotch, Legislative Secretary, Office of the Governor
Happy Chastain, Deputy Secretary-Legislation, State and Consumer Services Agency
Karen L. Neuwald, Assistant Director-Legislation, Department of General Services
Mike Courtney, Acting Deputy Director, Real Estate Services Division, Department of General Services

Capitol Area East End Complex Cumulative Quarterly Report to the Joint Rules Committee

**Pursuant to the
March 25, 1999 JRC Report**

October 1999

Department of General Services

Cliff Allenby, Interim Director

Michael Courtney, Acting Deputy Director

Real Estate Services Division

Project Management Branch

Margaret K. Hudson, Chief

Richard Teramoto, Project Executive

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EXHIBITS

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I. Introduction

The enabling legislation for the Capitol Area East End Complex, Government Code Section 8169.5 (Chapter 761, Statutes of 1997 (SB 1270, Johnston)), authorized the Joint Rules Committee to review the Department of General Services' (DGS) plan and the Legislative Analysts Office (LAO) report and to consider whether to recommend to DGS any changes in the site design criteria, performance criteria, specifications or criteria for determining the winning bidders. Pursuant to the requirements of the March 25, 1999 Joint Rules Committee (JRC) Recommendations, provided herein is a cumulative quarterly progress report on the Capitol Area East End Complex. Only exhibits relative to the current report are included.

To ensure the intent of the JRC is satisfied, DGS has signed a Letter of Understanding (LOU) with the other agencies with which the JRC requested DGS to consult. The LOU is attached as Exhibit A and it is discussed in Item 8. Pursuant to the LOU, a draft of this report was provided to the California Energy Commission (CEC), the California Integrated Waste Management Board (CIWMB), the Department of Health Services (DHS), and the Air Resources Board (ARB), comments were received and incorporated to the extent practicable. Although DGS did not incorporate all comments, the department did not have issue with any comment received.

1. Design/Build Method

The Joint Rules Committee finds that use of the design-build method for the East End Project was authorized by the enabling legislation. It is incumbent upon DGS to meet the efficiency and sustainability criteria outlined below to offset concerns about design-build. The Committee, therefore, will periodically review progress of the East End Project in order to ensure these goals are met.

This quarterly report is provided to allow the committee to review DGS progress as requested.

2. RFP and RFQ Evaluation Criteria

The Committee finds DGS should continue to work with the LAO to make the proposed evaluation criteria for the issuance of RFQs and RFPs more objective. The Committee will periodically review the RFP and RFQ criteria to ensure that the agreed upon specifications related to green construction, energy efficiency and sustainable design suggested by the CIWMB, CEC, [DHS, and ARB] and others are incorporated and meet the articulated goals.

Oct 99 CEC, CIWMB, DHS, and ARB have reviewed the initial Request for Proposal (RFP) selection process and criteria. DGS anticipates two additional meetings with the LAO to reach final accord with RFP selection process and criteria.

This group anticipates continuous review of the Projects' energy efficiency and sustainable design features in the criteria, specifications, and drawings.

The design/build teams competing for the Block 225 project, the $\frac{3}{4}$ block site bounded by 14th and 15th streets, between N and O streets include:

- Rudolph and Sletten Construction with Erlich-Rominger Architects
- J.R. Roberts Construction with Nacht and Lewis Architects and McCuen Properties
- Hensel Phelps Construction with Fentress Bradburn Architects, and Dreyfus & Blackford Architects

The design/build teams competing for the Blocks 171-174 project, the blocks within 15th and 17th streets, between L and N streets include:

- Clark/Gruen Design/Build, Inc.
- DPR Construction with McCuen Properties and Gensler Architects
- Hathaway Dinwiddie Construction with DMJM Architects

Each team is now preparing the design/build proposals to be submitted to DGS in early October with final selections scheduled for December.

A Technical Evaluation Committee (TEC) comprised of the project design team, representatives of the CEC, CIWMB, DHS, ARB and the Division of the State Architect will evaluate the proposals and submit a Technical Report to the Selection Committee. The Selection Committee will conduct final interviews and select a design/build team for each of the projects.

Jul 99 Agreement has been reached for the Request for Qualifications (RFQ) selection criteria. DGS has met on three occasions with the LAO and anticipates two additional meetings to reach final accord with the LAO on the RFQ and Request for Proposal (RFP) selection process.

DGS, CEC, CIWMB, DHS, and ARB came to consensus regarding the information that comprised the RFQ. The RFQ was issued (made available to the public) on April 26, 1999. A copy of the RFQs can be viewed and printed via the Internet at: www.dgs.ca.gov/resd. DGS, CEC, CIWMB, DHS, and ARB are continuing to review the Projects' energy efficiency and sustainable design features in the criteria, specifications, and drawings. This group will determine by consensus which suggested items should be incorporated into the projects based upon savings over the life of the building, rather than based solely upon up-front costs while maintaining the Projects' budgets.

3. Periodic Updates

The Committee requests DGS provide the Committee with quarterly updates to assist in monitoring the development of the RFP and RFQ selection criteria.

This quarterly report is provided to allow the committee to review DGS's progress as requested.

4. Coordination with State Environmental Agencies

The Committee recommends that DGS implement appropriate energy efficiency and sustainability measures throughout the design and build process, including, but not limited to, adherence to the RFP and RFQ guidelines supplied by CEC, CIWMB, ARB and DHS.

Oct 99 Since the issuance of the RFP to the selected Design/Builders (July 30, 1999), DGS, CEC, CIWMB, DHS, and ARB met on the following date(s):

- August 17, 1999 – General discussion of RFP evaluation and presentation schedule and the role of the Technical Committee.
- Meeting minutes are attached as Exhibit B.

Jul 99 DGS continues to meet with the CEC, CIWMB, DHS, and ARB to review the Projects' energy efficiency and sustainable design features of the design criteria, specifications, and drawings.

- CEC, CIWMB, DHS, ARB, and DGS staff have met on the following dates:
 - March 18, 1999
 - March 30, 1999
 - March 31, 1999
 - April 7, 1999
 - April 12, 1999
 - April 14, 1999
 - April 21, 1999
 - April 28, 1999
 - May 5, 1999 (special day-long conference)
 - May 19, 1999
 - May 26, 1999
 - June 2, 1999
 - June 9, 1999
 - June 16, 1999
 - June 23, 1999
- April 7, 1999 – DGS held an orientation meeting to review the current design's sustainable design features.
- Besides weekly meetings, the Design Team held a special day-long conference with CEC, CIWMB, DHS, ARB and their consultants to review and discuss the current design and suggested modifications to the Criteria Documents (May 5, 1999).
- May 14, 1999 – Deadline for final comments and suggested modifications to the Criteria Documents from CEC, CIWMB, DHS, and ARB, and their consultants.
- May 14, 1999 – Final comments were received and consisted of suggested modifications to the Criteria Documents, reference material, and product information.
- May 26, 1999 – DGS, CEC, CIWMB, DHS, and ARB and their consultants met to review the status of the responses to the comments submitted on May 14, 1999.

A copy of the consolidated Sustainable Design Measure/Action List is attached as Exhibit B.

- June 2, 1999 – An additional comprehensive review meeting was held.
- June 16, 1999 – General consensus with DGS, CEC, CIWMB, DHS, and ARB was reached on modifications.
- June 23, 1999 – A final review meeting was held discussing the fine-tuning of the RFP documents and focusing on the commissioning process.
- Meeting minutes are attached as Exhibit C.

5. SMUD Proposal

The Committee recommends DGS give full consideration to the SMUD proposal for a heating and cooling system within the project, in keeping with energy efficiency goals.

Oct 99 A meeting on August 19, 1999 was held to respond to and evaluate SMUD's comparison of the SMUD Proposal and Design Team analysis. Continued analysis is required. SMUD's entitlement process and schedule for completion and its effect on the project's entitlement and schedule remain open issues.

DGS is still unresolved as to SMUD's proposed charges. The proposed heating and cooling charges, while still higher than what DGS estimates, appears resolvable. The remaining fee proposed by SMUD is called a capacity charge. This charge is to amortize SMUD's capital costs and is based primarily on what project costs DGS would avoid by accepting the SMUD proposal. To date SMUD has not accepted our estimate. While discussions have produced agreements on several costs issues, other line items have escalated such that the net effect is not significantly changed. A final meeting is scheduled in October to resolve this issue.

Jul 99 DGS received the formal SMUD proposal on April 20, 1999, and is reviewing it to determine its feasibility and cost benefit compared to the original solution proposed by DGS. DGS has had several meetings with SMUD to discuss its proposal. At the May 17, 1999 meeting, it was decided that DGS would conduct an economic analysis based on the rates quoted in the proposed MOU. SMUD's entitlement process and schedule for completion remain open issues.

6. Life-Cycle Costs of Energy Efficiency Measures

The Committee recommends that when reviewing the costs of energy efficiency measures, DGS review them in terms of savings over the life of the building, and measures, rather than in terms of up-front costs. The Committee further recommends participants explore and identify other appropriate funding sources to augment the project funds. Among other things, these sources could include both public and private funds that are available for green building construction and sustainable design features.

Oct 99 DGS attended a presentation on life-cycle costing methodology by the CEC to DOF on July 16, 1999. The presentation covered a general review of process, which included increased productivity considerations.

Jul 99 DGS is required by law (Gov. Code, § 15814.30(c)), to determine what is "cost effective" by evaluating the savings over the life of the building or measure being

considered. To ensure a consistent evaluation process, a life-cycle methodology was included in the contract documents submitted to the Legislature in December 1998.

As noted, DGS and others are analyzing energy efficiency measures in regard to savings over the life of the buildings. Full assessment of additional funding sources will occur upon consensus on the content of the criteria.

The issue of additional funding sources is tied directly to any measure that cannot be included in the project, because the first cost of a measure does not fit within the project's budget. Currently, we are evaluating a large number of recommendations that were received from the CEC, CIWMB, DHS, and ARB. Once analysis of the recommendations is complete, we can determine to what extent additional funding may be required. Participants in the Project Workgroup have agreed to present any items requiring additional funding to the State Public Works Board for consideration and approval of augmentation to the project's current budget, not to exceed the 10 percent augmentation specified in statute. DGS and CEC will work with the Department of Finance regarding alternative methodologies for life-cycle cost analysis.

7. Sustainable Design and Green Building Construction in the Issuance of RFQs and RFPs

The Committee recommends that DGS consult with CEC, CIWMB, ARB and DHS throughout the design-build process, in order to ensure compliance with articulated project goals, existing regulations, and the guidelines supplied by CEC and CIWMB.

Oct 99 The project is currently in the RFP phase and the review process by CEC, CIWMB, DHS, and ARB will shift to an ongoing consulting role. The East End design team will monitor the progress of the design builder's construction documents. Upon completion of the construction documents, a review with each agency will verify the proper inclusion of the agreed upon items. During construction the agencies will be consulted regularly to evaluate changes and modifications to these construction documents and the progress of building commissioning.

Jul 99 Weekly general meetings have been held with the CEC, CIWMB, DHS, and ARB and will continue through the selection process. Additional specific meetings will be called as required. At this point, the review process will shift to an ongoing consulting role. The East End design team will monitor the progress of the design/builder's construction documents. Upon completion of the construction documents, a review with each agency will verify the proper inclusion of the agreed upon items. During construction the agencies will be consulted regularly to evaluate changes and modifications to these construction documents and the progress of building commissioning.

8. Green Oversight Mechanism

The Committee recommends that DGS, CIWMB, CEC, ARB and DHS develop an effective green enforcement mechanism of oversight and incentives to ensure compliance with articulated goals. This oversight mechanism would apply to the design-builder and DGS.

This mechanism should provide for review and input by the Department of Finance, the Legislative Analyst, the CEC and CIWMB to the Legislature through the budget process.

Oct 99 Consensus was reached as to the content of the criteria. The criteria were included in the Request for Proposal documents. The CIWMB is charged with developing the “green oversight mechanism” for final discussion and adoption.

Jul 99 Once consensus as to the content of the criteria is reached, the roles for the green oversight mechanism will be developed. The LOU commits DGS to work out a process to ensure compliance. The approach will depend on the particular items that are included in the project and the timing of additional funds that may be available.

During the contract documents review phase we are and will continue to refine the measures into requirements of the base building wherever possible. The instructions for the “enhancements” section of the proposals will include those measures that remain desirable and may be accomplished through inclusion as an enhancement.

In addition to the processes outlined above, we have and will continue our practice of briefing DOF and LAO on the progress of the project. All these agencies receive copies of the monthly reports. DGS has agreed to share the Quarterly Update documents to CEC, CIWMB, DHS, and ARB prior to issuance. To formalize the relationship throughout the project, final documents submitted will include items of agreement, those in progress and those of disagreement.

9. DGS, CIWMB, CEC, DHS, and ARB Agreements

The Committee finds that DGS, CIWMB and CEC [DHS and ARB] agreed to the following:

- a. All participants will be actively involved in the tasks to establish the underlying qualification and proposal requirements to maximize the opportunities to incorporate sustainability and energy efficient measures, in the requirements for RFQs and RFPs.*
- b. All participants will be actively involved in the development of criteria for the evaluation of RFQs and RFPs.*
- c. All participants will be represented on the RFQ Evaluation Team(s), Procurement Team(s), and Technical Proposal Evaluation Team(s).*
- d. DGS will provide the CIWMB and CEC [DHS and ARB] with all requisite materials and timetables involved in the RFP and RFQ process according to the schedule discussed.*
- e. All participants will work together to develop a process to institutionalize a cooperative working arrangement for use in future state construction and design projects. SB 280 (Bowen) may be a mechanism for the institutionalization of this cooperative process.*

Oct 99 During this RFP evaluation phase, DGS project directors experienced in major construction and the design/build process will represent DGS. The project’s Master Architect and the Project Consultant and their respective sub-consultants will assist them. The energy efficiency and sustainable building measures category, which represents approximately 20% of the total scoring, will be evaluated by the

respective agencies. All parties have been provided with the Evaluator's Handbook; which includes established score sheets for the RFP evaluation phase.

Jul 99 DGS, CEC, CIWMB, DHS, and ARB have agreed and continue to work together for the betterment of the Capitol Area East End Complex project. All parties are actively involved in establishing the underlying qualification and proposal requirements to maximize the opportunities to incorporate sustainable and energy efficient measures in the requirements of the RFQs and RFPs. In addition, all parties are actively involved in the development of the criteria for the evaluation of the RFQs and RFPs and will be represented in the RFQ evaluation process. Finally, all parties will continue consult throughout the development process.

The evaluation criteria has been grouped into categories with CEC, CIWMB, and DHS agreeing to evaluate submittals in the category on energy efficiency and sustainable building measures (this category represents approximately 20% of the total RFQ scoring). This evaluation will be combined with the other scores to determine the short-list for interviews. Similar evaluation by specific categories is envisioned for the RFP evaluation. At their request, representation on the teams has been left to the agencies.

Project directors experienced in major construction and the design/build process will represent DGS. During technical evaluations the design team on a consultative basis will assist them. As stated above, the energy efficiency and sustainable building measures category will be evaluated by the agencies. All parties will be provided with the Evaluator's Handbook; this includes established score sheets.

DGS has provided all parties with the RFQ and RFP documentation and schedules.

10. Executive Complex

The Committee evaluated the feasibility of adding an Executive residence complex to the East End Project, noting the inadequacy of the current Executive residence and office spaces. The Committee found that the East End Project has progressed too far, in terms of both time and money spent, to delay the project for land use re-assessment.

The Committee recommends, therefore, the Legislature and DGS consider alternate sites for assessment as a possible Executive complex, including the California Department of Food and Agriculture Building on "N" Street, among other locations.

11. Transportation and Parking

The Committee finds that DGS should continue to reduce the negative transportation impacts and parking shortages created by the East End Project.

Oct 99 Nothing new to report.

Jul 99 DGS is continuing its efforts in this regard and will report on substantial progress when it is made.

12. Francis House Relocation

The Committee finds that Francis House performs a vital service to midtown Sacramento, as well as the county and the state, and has not previously requested public funding or taxpayer support. Given the unique situation of Francis House, the Committee recommends that every possible avenue to assist them in their relocation be explored by DGS, CADA and the City of Sacramento, including, but not limited to:

- a. DGS has agreed to provide the Community with a report regarding DGS's ability to use bond expenditures to assist Francis House in their relocation efforts. Should DGS be legally permitted to do so, DGS should provide Francis House with funding to relocate.*
- b. If it is found that DGS cannot expend bond monies to fund the Francis House relocation, DGS should provide Francis House with a suitable space in which to relocate. Those efforts should be detailed in the quarterly reports issued by DGS to the Committee.*

Oct 99 Assembly Bill 883 (introduced by the Committee on Rules) would allow for "payments for actual moving and related expenses, including obtaining new facilities...in an amount that may not exceed one hundred twenty thousand dollars (\$120,000)." This bill has been submitted to the Governor for signature.

Jul 99 DGS is continuing to work with all parties to affect an equitable solution and meet the needs of those concerned.

13. Neighborhood Impacts

The Committee finds that projects of this magnitude when introduced into an existing neighborhood, should make efforts to maintain a pedestrian-friendly atmosphere, and directly in line with the ULI's recommendations, include consideration of after hours activities (and the potential lack of them) when formulating a design. Further, the Committee finds that mixed-use is a valuable means to maintain such an atmosphere, and recommends DGS continue to consider ways to include mixed uses in the project.

Oct 99 Nothing new to report.

Jul 99 DGS, the City of Sacramento, and CADA continue to regularly meet to discuss joint use operating arrangements for the shared facilities of the project.

14. Periodic Monitoring of Recommendations

The Committee requests DGS to submit quarterly reports to assist in monitoring the progress of East End Project plans for the issues articulated above, including the issuance of RFPs and RFQs, measures to encourage energy efficiency and sustainability, the development of sufficient parking areas, the encouragement of alternative transportation, and to evaluate the use of the design-build process in order to learn from DGS' experience with its use on this project.

Oct 99 Nothing new to report.

Jul 99 Report submitted herein. DGS will continue to submit progress reports meeting the intent of AB 883/99 introduced this session by the Committee on Rules.

15. Project Enhancements

The Committee recommends that the Legislature consider a further augmentation for the East End Project to provide for additional housing, higher quality materials, enhancements to make the neighborhood more pedestrian friendly, and other mitigation measures.

Oct 99 Nothing new to report.

Jul 99 As noted in Item 13, it is anticipated that the discussions with local government will help DGS identify both statutory changes and funding needs that could benefit the community. Those items will be reported to the JRC.

DGS will continue to work with the Legislature and other affected parties to help identify funding needs that could benefit the community and the Capitol Area East End Complex.

16. Significant Accomplishments and Schedule

The Letter of Understanding between DGS, CEC, CIWMB, DHS, and ARB recommended this addition to the report.

Oct 99 Project Schedule

Major milestones are as follows:

| | | |
|--------------------|---|-------------|
| Jan/98 | Selection of Primary Consultants | Complete |
| Jul/98 | PWB Approval of Block 224 Garage PPs | Complete |
| Nov/98 | Award Design/Build Contract for Block 224 Garage | Complete |
| Nov/98 | Complete PPs for Blocks 171-174 and 225 | Complete |
| Dec/98 | Submit Mandated Package to Legislature | Complete |
| Dec/98 | Block 224 Start Construction | Complete |
| Dec/98 | Boiler Replacement – Award Design Contract | Postponed T |
| Dec/98 | Off-site Utility Package – Award Design Contract | Postponed T |
| May/99 | PWB Approval of PPs, Blocks 171-174 and 225 | Complete |
| Apr/99 | Boiler Replacement – PWB Review | Postponed T |
| June/99 | Boiler Replacement – Start Construction | Postponed T |
| July/99 | Off-site Utility Package – PWB Review | Postponed T |
| Sep/99 | Off-site Utility Package – Start Construction | Postponed T |
| Dec/99 | Award Design/Build Contracts for Blocks 171-174 and 225 | On Schedule |
| Dec/99 | Block 224 Garage – Complete Construction | On Schedule |
| Jan/00 | Start Construction, Blocks 171-174 and 225 | |

**Capitol Area East End Complex
Cumulative Quarterly Report to the
Joint Rules Committee**

TBD Boiler Replacement – Complete Construction

TBD Off-site Utilities – Complete Construction

Mar/03 Complete Construction/Occupy All Facilities

^T Postponed due to ongoing discussions with SMUD on their proposal to supply district heating and cooling.

II. Comments from CEC, CIWMB, DHS, and ARB

Pursuant to the Letter of Understanding between DGS and CEC, CIWMB, DHS, and ARB, a draft of this report was provided to these agencies. Comments received to the draft report are provided herein.

Oct 99 No comments received.

EXHIBIT A

*Letter of Understanding between
DGS, CEC, CIWMB, and DHS*

LETTER OF UNDERSTANDING

The Department of General Services (DGS), the California Integrated Waste Management Board (CIWMB), the Department of Health Services (DHS), the Air Resources Board and the California Energy Commission (CEC) recognize that it is significant for state facilities to be models of energy efficiency *and indoor air quality* and utilize sustainable building measures as inherent features in future State construction projects. Therefore, the parties agree to work in a collaborative fashion in order to institutionalize this commitment.

BACKGROUND

Chapter 761 Statutes of 1997 (SB 1270, Johnston) authorized building the Capitol Area East End Project (Project) and required that the Legislative Analyst's Office (LAO) submit a report to the Joint Rules Committee (JRC) after conducting a review of the preliminary plans for the Project. Based upon this report as well as additional oral testimony provided during JRC hearings, the JRC was to consider any changes in the site design criteria, performance criteria, specifications or criteria for determining the winning bidder. The JRC issued its report on March 25, 1999 (JRC Report) containing recommendations for each of the areas specified above.

Concurrent with the JRC process, Secretary of State and Consumer Services Aileen Adams, Secretary of the California Environmental Protection Agency Winston Hickox, and Senator Debra Bowen convened an East End Project working group. This group is charged with implementing sustainable building design and construction features into the project. Other work group participants included representatives of the Department of General Services (DGS), the California Integrated Waste Management Board (CIWMB), the Air Resources Board (ARB) the Department of Health Services (DHS), the California Energy Commission (CEC), and the Department of Finance (DOF) (Project Workgroup).

SCOPE

The purpose of this Letter of Understanding is to implement recommendations (3), (4), (6), (7), (8) and (9) of the JRC Report as well additional direction provided by the Project Workgroup. Specifically, recommendation (9) of the JRC Report states that DGS, CIWMB, and the CEC have agreed to a process ensuring active participation by these agencies in the development and administration of the Request for Qualifications, Request for Proposals, and the building design and construction phases. Recommendations 4, 7 and 8 additionally recommend consultation with DHS and ARB. This Letter of

Understanding will bring together an integrated team of state professionals working cooperatively to improve energy efficiency, indoor air quality and sustainable building measures of the design, construction and operation of the Project. Incorporation of these measures is intended to provide cost savings through improved occupant health and productivity, decreased building operation costs, reduced ongoing maintenance, and resource efficiency.

GENERAL PROVISIONS

1. All Participants agree to the fundamental requirement for timeliness and are committed to respond within the timeframes specified.
2. DGS will notify Participants immediately of any process or construction schedule changes.
3. All Participants will work towards a consensus on items affecting energy efficiency, indoor air quality and sustainable building measures.
4. Meetings shall be scheduled when requested by any of the participants to discuss and resolve outstanding concerns.
5. DGS shall provide copies of requested documentation in a timely manner to facilitate comments by Participants.
6. DGS will provide Participants drafts of the quarterly updates required by the JRC in advance of their transmittal. Comments submitted by Participants should be incorporated prior to transmittal. Comments not addressed to the satisfaction of all Participants shall be appended to the update and transmitted to the JRC.
7. All recommendations contained in the JRC Report are incorporated by reference as components of this Letter of Understanding.
8. Participants shall endeavor to resolve outstanding concerns regarding the contents of the RFQ, RFP and subsequent involvement of the CIWMB and the CEC of the design and construction phases within the process and schedule outlined in this Letter of Understanding. In the event that unresolved issues remain or a dispute arises from a decision made by one or more of the participants, resolution must be sought by convening the Project Workgroup to render a decision prior to the deadline for the phase in question.

SPECIFIC PROVISIONS

1. Notice of Advertisement

Participants will provide any changes to the Notice by: March 26, 1999 (completed)

2. Request for Qualifications

Participants will provide any changes to the RFQ by: April 9, 1999 (underway)

Participants will agree on the RFQ documents, in particular, the criteria for evaluation by: April 12, 1999

Participants will be included on the evaluation team(s) to be convened by: June, 1999

3. Request for Proposals

Participants will provide any changes to the RFP by: May 20, 1999

DGS will convene a series of weekly meetings for Participants' technical staff on relevant RFP components By April 1, 1999. (underway)

Participants will be included on the evaluation team(s) For the RFQ and RFP to be convened by: Sept. 1999

4. Life Cycle Analysis

Participants will agree on the methodology for life cycle analysis. In the event that a specific methodology cannot be agreed to, participants agree to the variables to be included in the life cycle analysis. The methodology and/or the variables shall serve as a basis for identifying the energy efficiency and sustainable design features *and indoor air quality measures* to be considered inherent in the RFP.

5. Design and Construction Oversight

Participants will agree to an ongoing process for involvement in the actual design-build phases to ensure compliance with articulated energy efficiency and sustainable building goals by September 30, 1999.

6. Quarterly Update

In accordance with the recommendations contained in the JRC Report, DGS will submit a quarterly update on the Project beginning June 1, 1999. The quarterly update will include but not be limited to the following items:

- a) Status of project including significant accomplishments and schedule;
- b) Significant coordination issues resolved by Participants or requiring resolution by the Project Workgroup Secretaries;
- c) Identification of any statutory or regulatory issues that are considered barriers to the incorporation of any energy efficiency or sustainable building features; and
- d) Unavoidable delays in the Project requiring modification to the Project schedule.

Ralph E. Chandler
Executive Director
California Integrated Waste Management Board

Mike Courtney
Acting Deputy Director
Real Estate Services Division
Department of General Services

Kent Smith, Acting Executive Director
California Energy Commission

Joseph P. Munso
Chief Deputy Director
California Department of Health Services

Michael P. Kenny
Executive Officer
California Air Resources Board

EXHIBIT B

Sustainable Team Meeting Minutes

Sustainable Team Meeting Minutes

Meeting No. : 6.0 **Location:** DGS Conf. Rm.
Meeting Date : August 23, 1999 **PMB Project No.:** 105171, 105225
Project Name : Capitol Area East End Complex

| | | | |
|---|--|--|--------------------------|
| <u>DGS</u> Richard Teramoto, AIA <input checked="" type="checkbox"/> Kathryn Welch <input type="checkbox"/> Mike Langley <input checked="" type="checkbox"/> Kevin Kaestner <u>3D/I</u> <input checked="" type="checkbox"/> Joseph Griffin, AIA <input checked="" type="checkbox"/> Jim Ogden <u>JFP</u> <input type="checkbox"/> Jeff Averill, AIA <input type="checkbox"/> Kevin Tyrrell, AIA | <u>CEC</u> Steve Williams <input checked="" type="checkbox"/> Gary Flamm <input type="checkbox"/> Virginia Lew <input type="checkbox"/> Tav Commins <u>DHS</u> <input checked="" type="checkbox"/> Leon Alevantis <u>CARB</u> <input checked="" type="checkbox"/> Steve Hui <input type="checkbox"/> Tom Phillips | <u>CIWMB</u> Caren Trgovcich <input checked="" type="checkbox"/> Kathy Frevert <input type="checkbox"/> Gwen Walkley <input type="checkbox"/> Relly Briones <input type="checkbox"/> Steve Austrheim-Smith <input checked="" type="checkbox"/> Rick Muller <input type="checkbox"/> Mike Leao <u>DSA</u> <input checked="" type="checkbox"/> Vilas Mujundar | <u>CONSULTANTS</u> |
| <input checked="" type="checkbox"/> = attendee | = copy only | [P] = partial attendance | <input type="checkbox"/> |

| Meeting # | Topic | Item |
|-----------|-------|------|
|-----------|-------|------|

6.
 1. Introductions
 - 6.1.1 See list of attendees.
 - 6.1.2 Approved copies of the JRC Quarterly Report were made available to the team.
 2. Schedule
 - 6.2.1 Hand-outs – Time Commitments for the Technical Committee, revision dated August 12, 1999.
 - 6.2.2 The Design/Builder's proposals are due at the close of business on October 4, 1999.
 - 6.2.3 On October 5, 1999, the Technical Committee will be briefed on the evaluation process and the proposals will be distributed to each of the committee team representatives.
 - 6.2.4 Design/Builder Presentation to the Technical Committee
 - ☐ The Design/Builders will provide the Technical Committee members a presentation of their proposal on October 7 and 8 , 1999, barring any Addenda to the schedule.
 - ☐ This presentation will be a one-sided explanation of their proposals with no questions or comments posed by the Technical Committee at this point.
 - ☐ Each of the Sustainable Team members should designate an individual to be their representative for this activity.
 - 6.2.5 The Technical Committee will have from October 5, 1999, to November 5, 1999, to evaluate the proposals and prepare a formal report to the Selection Committee.
 - 6.2.6 The Selection Committee will then have seven days to review the report before the Technical Committee formally presents their findings to the Selection Committee on November 18 and 29, 1999.

3. Evaluation Process

- 6.3.1 During the Technical Committee's evaluation of the design/build proposals there will be opportunities to clarify ambiguities in each of the proposals. These clarifications (if any) will be reviewed and distributed by DGS as a Request for Clarification (RFC). There will only be one opportunity to pose such requests. The Design/Builders will be given seven days to answer the RFC and return to DGS.
- 6.3.2 The team was directed to Document 00410 of the RFP for the basic requirements and quality enhancements to be evaluated.
- 6.3.3 The method of scoring has not been finalized and is open for discussion. Upon final deliberation and consensus with the Sustainable Team, the evaluation method will be submitted to the LAO's office for review and comment.
- 6.3.4 The selection process will be completed within the next 2-3 weeks.

4. Selection Committee

- 6.4.1 The Selection Committee will be comprised of the same members that participated in the RFQ selection with one change: Mr. Wendell Brossey Brase, from UC Irvine, will be participating and teamed with Rebeka Gladson.

5. Next Meeting

- 6.5.1 No other formal meeting is scheduled prior to the Technical Committee briefing on October 5, 1999.

These are the minutes as recorded. If any items are in error please notify 3D/International. These minutes may be used at the next meeting. Please be sure to bring your copy if attending.

Sincerely,
3D/International

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